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for Work &
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Rt Hon Sir George Howarth MP
House of Commons

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27 October 2022

Dear Sir George,

As you may know your email of 8 September to the former Chancellor of the Exchequer on behalf of about the Local Housing Allowance (LHA) and the benefit cap has been passed to this department. I am replying as the Minister with responsibility for this policy area

The Government has significantly invested in housing support for private renters since April 2020. We increased the LHA rates in April 2020 to the 30th percentile of local rents, an investment costing nearly £1 billion and providing 1.5 million households with an average of £600 more housing support than they would otherwise have received.

LHA rates have been maintained at their increased levels since then ensuring that all claimants who benefited from increased levels of housing support continue to do so. LHA rates are not intended to cover all rents in all areas.

The Secretary of State for Work and Pensions reviews LHA rates annually. For those who require additional support with housing costs Discretionary Housing Payments (DHP) are available from local authorities. DHPs can be paid to those entitled to Housing Benefit or the housing element of Universal Credit who face a shortfall in meeting their housing costs.

These payments are entirely at the discretion of the local authority and since 2011 the Government has provided almost £1.5 billion to local authorities for households who need additional support with their housing costs.

Where there is a risk of homelessness, the Government is providing £316 million in Homelessness Prevention Grant funding to local authorities for 2022/23. Local authorities can use the funding flexibly to meet their homelessness and rough sleeping strategies - for example, to offer financial

support for people to find a new home, to work with landlords to prevent evictions or to provide temporary accommodation, among other preventative measures.

There are no current plans to make changes to the benefit cap. The benefit cap restores fairness between those receiving out-of-work benefits and taxpayers in employment and encourages people to move into work where possible. Universal Credit households are exempt from the cap if they have monthly earnings of at least £658 whilst entitlement to Working Tax Credits provides an exemption for Housing Benefit households.

There is clear evidence that work, particularly full-time work, substantially reduces the likelihood of being in poverty; children in workless families are around three times more likely to be in poverty when compared to families where at least one adult works. Exemptions will continue to apply for the most vulnerable claimants that are entitled to disability benefits and carer benefits.

On 26 May, the Government announced a range of cost-of-living measures to provide financial assistance to millions of households across the UK, including over £15 billion of additional support, targeted at those with the greatest need. This builds on the over £22 billion previously announced, bringing the total package to over £37 billion this year.

The £650 one-off Cost of Living Payment will target support at low-income households on means-tested benefits. This will support over 8 million households across the UK, with the first payment of £326 paid from mid-July. We are also providing additional support to help 6 million disabled people with the extra costs they will face. Those eligible will receive a one-off, disability Cost of Living Payment of £150 from 20 September.

The Government is also providing extra support to pensioners across the UK. Over 8 million pensioner households will receive an extra one-off £300 Winter Fuel Payment this year to help cover the rising cost of energy.

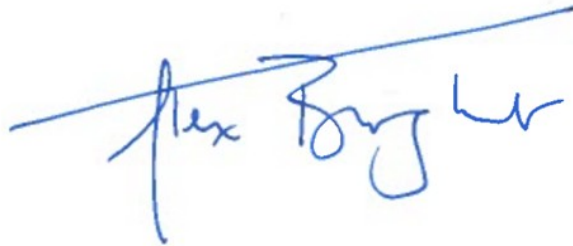
In addition, the Energy Price Guarantee is supporting millions of households with rising energy costs, and the Chancellor made clear it will continue to do so from now until April next year. This is in addition to the help the Government is making available to most domestic electricity customers in Great Britain, with £400 non-repayable discount to eligible households provided through the expansion of the Energy Bills Support Scheme.

As a result of the measures outlined above, and the action already taken this year, the vast majority of households will receive cost of living support worth £550. Pensioners will receive £850 and almost all of the 8 million most vulnerable households will receive at least £1,200 of support.

For those that are not eligible for the means-tested Cost of Living Payment, or for families that still need additional support; the Government is providing an

additional £500 million to help households with the cost of essentials, bringing the total funding for this support to £1.5 billion. In England this will take the form of an extension to the Household Support Fund backed by £421 million. Devolved Administrations will receive £79 million through the Barnett formula.

Yours sincerely,

A handwritten signature in blue ink, reading "Alex Burghart". The signature is written in a cursive style and is positioned below the closing "Yours sincerely,". A horizontal line is drawn across the top of the signature.

Alex Burghart MP

Minister for Pensions and Growth